

SUMMARY ANALYSIS OF AMENDED BILL

Author: Torklason & Alquist Analyst: Kristina North Bill Number: AB 1697

Related Bills: See previous analysis Telephone: 845-6978 Amended Date: 5/13/98

Attorney: Doug Bramhall

Sponsor:

SUBJECT: Bank & Corporation Tax Fund/Transfer 2% Of Moneys To California Housing Trust Fund

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED APRIL 1, 1998, STILL APPLIES.

☒ OTHER - See comments below.

SUMMARY OF BILL

Under the Health and Safety Code, this bill would enact the California Affordable Housing Fund Act of 1998, which creates the California Housing Trust Fund.

Under the Administration of Franchise and Income Tax Law (AFITL), this bill would provide that 2% of the moneys in the Bank and Corporation Tax Fund would be appropriated for deposit into the California Housing Trust Fund until January 1, 2009.

This analysis discusses only those provisions that impact the Franchise Tax Board (FTB).

SUMMARY OF AMENDMENT

The May 13, 1998, amendment provides that, for any fiscal year that the Department of Finance's May Revision projects aggregate General Fund revenues for that fiscal year will be 10% or more below the current fiscal year General Fund revenues, the transfer of moneys from the Bank and Corporation Tax Fund to the California Housing Trust Fund would be suspended.

The May 13, 1998, amendment would discontinue the transfer of moneys on January 1, 2009.

DEPARTMENTS THAT MAY BE AFFECTED:

___ STATE MANDATE

___ GOVERNOR'S APPOINTMENT

Board Position:

___ S ___ O
___ SA ___ OUA
___ N ___ NP
___ NA ___ NAR
___ X ___ PENDING

Agency Secretary Position:

___ S ___ O
___ SA ___ OUA
___ N ___ NP
___ NA ___ NAR
DEFER TO _____

GOVERNOR'S OFFICE USE

Position Approved ___
Position Disapproved ___
Position Noted ___

Department/Legislative Director Date
Johnnie Lou Rosas **5/27/98**

Agency Secretary Date

By: Date:

Except for the changes discussed above, and the technical consideration, the department's analysis of this bill as amended on April 1, 1998, still applies.

Technical Consideration

Generally, the Controller's Office is responsible for the transfer of moneys from one fund to another; however, this bill does not specify the responsible party. The author may wish to consider specifying that the Controller's Office would transfer the moneys deposited in the Bank and Corporation Tax Fund to the California Housing Trust Fund.

The transfer of moneys to the California Housing Trust Fund would be suspended for any fiscal year that the Department of Finance's May Revision of revenues projects that the aggregate amount of General Fund revenues will be 10% or more below the aggregate amount of General Fund revenues for the "current fiscal year." The phrase "current fiscal year" could be interpreted to mean the fiscal year in which the statute was enacted or the "then" current fiscal year.

